

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
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Rates for Interstate Inmate Calling Services)	
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)	WC Docket No. 12-375
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COMMENTS OF THE GEO GROUP, INC.

The GEO Group, Inc. (GEO), by its attorneys, hereby submits its comments in response to the Proposed Rule released on November 13, 2013 (*Rates for Interstate Inmate Calling Services, 47 CFR 64 [WC Docket No. 12-375; FCC 13-113]*).

Introduction

The Federal Communications Commission (FCC) seeks public comments on reforming the inmate calling service (ICS) market. On September 26, 2013, FCC released its Report and Order and Further Notice of Proposed Rulemaking in WC Docket No. 12-375, FCC 13-113, dated August 9, 2013. The Order explains the legal and policy reasons behind FCC's efforts to reform interstate ICS rates. Now, the FCC seeks comments on options to reform the ICS market, which could include possible new rules that would affect all ICS providers.

As will be further explained in these comments, any reform of interstate ICS rates or the ICS market needs to be mindful of the complex and costly operations of inmate telephone

systems in correctional facilities and detention centers. These systems rely on sophisticated software and hardware technologies which ensure the safety and security of the inmate population, the correctional employees, and the general public. “Safe harbor” rates adopted by FCC may preclude correctional facilities from having the necessary funds to implement these technologies. Further, the FCC has determined that site commission payments have no reasonable and direct relation to the provision of ICS and therefore are not compensable. This conclusion fails to consider that such commissions are primarily used to pay for the cost of operating ICS at facilities, the overall cost of housing inmates at a facility, or other inmate welfare programs. Finally, decisions regarding the reform of interstate ICS rates and the ICS market should be determined by the federal, state or local correctional agencies charged with the responsibility of inmate welfare.

I. Background on GEO Group, Inc.

GEO is a private corporation which manages and operates correctional facilities, both in the United States and around the world, with facilities located in New York, Florida, Georgia, Pennsylvania, Virginia, Indiana, North Carolina, Louisiana, Texas, Oklahoma, Arizona, Colorado, California, New Mexico, and Washington. In addition to constructing and operating prisons, jails, correctional facilities and detention centers, GEO operates community re-entry facilities and other special needs institutions, as well as provides community supervision services with the use of electronic monitoring. GEO is one of the nation’s leading private managers and operators of prisons and jails, housing approximately 61,000 inmates in fifty-six correctional facilities across the United States. GEO’s U.S. Corrections & Detention division represents the sixth largest correctional system in the country. Through contracts with government agencies,

GEO provides services on behalf of the Federal Bureau of Prisons, U.S. Marshals Service, and U.S. Immigration and Customs Enforcement, as well as 11 state correctional clients and various county and city jurisdictions. At each of the prisons and detention centers it operates, GEO provides a variety of services in addition to providing secure custody services, including correctional health and mental health care; food services; academic and vocational programming; and rehabilitation treatment services.

II. Operation of Inmate Telephone Services at GEO Facilities is Complex and Costly

Pursuant to the August 9, 2013 Order, all ICS providers' interstate per-minute rates must now be at or below the "safe harbor" (interim) rate cap levels established by the FCC. These new rate levels, however, do not reflect the costs associated with operating ICS. For example, inmates housed at GEO facilities are provided access to restricted telephone service under controlled circumstances. Telephone service is made available through a telecom service provider who has contracted with GEO or, alternatively, has directly contracted with GEO's government clients. During the former situation, GEO purchases the inmate telephone system equipment, installs that equipment in its facilities, operates and maintains the equipment, as well as allocates human resources to ensure that the equipment is used for lawful purposes only and in a manner which does not compromise the judicial system or the safety and security of the inmate population, GEO's employees or the general public. The cost of providing such inmate telephone services is greater than the average cost of providing residential telephone services.

For example, the inmate telephone system installed in a GEO's facility consists of pay telephones attached to the wall of a specific room in the prison. Because GEO's prisons typically house individuals who may engage in violent behavior, these pay telephones are

specially designed and constructed to withstand such violence. More specifically, these inmate telephones are constructed of stainless steel and include special tamperproof fixtures (buttons, mouthpieces, reinforced cords, etc.). Notwithstanding these design features and compositions, inmate telephones in GEO's facilities are not indestructible and are susceptible to damage by inmates requiring GEO to either repair or replace the telephones. Accordingly, there are ongoing costs associated with maintaining working telephones in correctional facilities which are not seen in residential telephone service.

There are also unique costs associated with the administering of inmate telephone service. Depending upon the terms of GEO's government contract, as well as the requirements of GEO's individual government clients, restrictions are placed on telephone calls made by inmates. For example, inmates cannot call judges, law enforcement personnel, crime victims, potential witnesses, or individuals with criminal records. To ensure compliance with these restrictions, GEO employees are assigned to call all telephone numbers provided by an inmate to ensure that the telephone number is associated with the person(s) identified on the inmate's approved call list, as well as verify that the person(s) are willing to receive calls from the inmate.

Where permissible by law and in accordance with GEO's contract, telephone calls made by inmates are monitored (except for calls made to an inmate's attorney or legal representative) by GEO personnel to ensure that the inmate is not engaging in unlawful conduct. In addition to this live monitoring of each inmate telephone call, digital recording equipment is affixed to the inmate telephone so that the calls may be recorded. In order to record the many hundreds of inmate telephone calls made daily from each of its prisons, GEO maintains a sophisticated data storage system at each prison, consisting of hard drives where the inmates' telephone calls are digitally recorded and preserved. These data storage systems enable each recorded inmate

telephone conversation to be searched by the inmate's name, a particular date, or a particular telephone number. In addition, some data storage systems are pre-programmed to "flag" key words in an inmate's telephone conversation, such as "bomb" or "escape." Inmate telephone systems in GEO's facilities are designed to enhance the safety and security of the prisons, the inmate population, the correctional staff, and the general public. Again, these costs associated with telephone service in a secure correctional facility are not comparable with the standard cost of residential telephone services.

Finally, there is no "one size fits all" solution to inmate telephone services. There are vast differences among the GEO correctional facilities and detention centers throughout the United States which affect the costs of providing inmate long distance telephone services within these facilities. There are differences in the security levels of GEO facilities; the size of the facilities; in inmate populations; in the facilities' age; in the numbers of telephones per inmate; in the distance from population centers where most called parties are located; in the numbers of telecom vendors willing to provide service; in salary levels for employees at the institutions; etc. Each of these factors affects the costs of providing inmate telephone services at each institution – costs which are not reflected in the FCC's "safe harbor rates."

III. Inmate Telephone Commissions at GEO Facilities

Under its contracts with individual telecom service providers, GEO receives commission payments in exchange for having chosen the provider as the exclusive vendor for the correctional facility. Pursuant to the August 9, 2013 Order, the FCC has determined that such site commission payments are not reasonable ICS costs and cannot be passed along to the customer. However, it is important to understand that, in the case of GEO, inmate telephone commission

payments are typically used to cover the costs of providing inmate telephone services, as well as the overall costs of operating and maintaining the facilities. In some cases, the government agency contracting with GEO requires that inmate telephone commission payments be used to offset the overall cost that GEO charges the agency.

For example, GEO contracts with the Federal Bureau of Prisons (BOP) to house federal criminal aliens at the D. Ray James Detention Facility in Folkston, GA. Pursuant to the terms of this contract with BOP, any income received by GEO as a result of inmate telephone calls which is in excess of expenses incurred, including rebates from carriers, must be used to offset the cost of GEO's contract. In other words, the revenues derived by GEO from inmate telephone services are flowed back to the United States government to reduce the costs paid by the taxpaying public for the operation of this federal correctional facility.

In other cases, commission payments from inmate telephone services are used to benefit both indigent inmates, as well as the general welfare of the facility's entire inmate population. For example, GEO operates the Arizona State Prison - Florence West and the Central Arizona Correctional Facility under contracts with the Department of Corrections. These contracts specifically require that revenues generated from inmate telephone services at these prisons be deposited in the facility's Welfare and Benefits Fund. This fund is then used to compensate employees operating the prison commissary, as well as to purchase and maintain sporting goods, educational supplies, library books, as well as religious and musical items enjoyed by all the facility's inmates. Finally, commission payments from inmate telephone services are used to purchase personal hygiene items for indigent inmates at the facility. The FCC's decision to exclude on site commissions will eliminate a means for paying services and benefits for inmates which are not otherwise covered by taxpayer-funded budget allocations.

IV. Inmate Telephone Service Should Be Determined By Correctional Agencies

Decisions regarding the operation of inmate telephone systems should be determined by the correctional agency responsible for the welfare of the inmates. For example, the August 9, 2013 Order adopts “safe harbor” rates for prepaid and debit cards. In GEO’s facilities, the availability of debit card calling is based upon the policies of the correctional agencies on whose behalf GEO operates the facilities, and on the terms of the contracts between GEO and these governmental entities. Debit cards are items of value, and in a correctional facility, such items of value often become items of dispute and become sources of barter. Debit cards are subject to theft and can lead to incidences of violence, all of which increase the need for providing adequate security for the inmate population as well as for employees of each institution. The decision to allow debit cards in correctional facilities is a facilities management issue; the resolution of which should be determined by government correctional experts.

CONCLUSION


Reforming inmate telephone service necessitates an understanding of the complexity and cost of operating this service in the unique confines of a correctional facility or detention facility. Sophisticated hardware and software is needed to ensure the safety and security of the inmate population, the correctional employees, and the general public. Further, site commission payments help government agencies to reimburse taxpayers for the costs of incarceration and to provide otherwise unfunded inmate welfare programs. Finally, whether operated by federal, state or local correctional agencies themselves or by private corporations such as GEO, decisions

regarding inmate telephone services, including when, where, for how long, and at what prices, are the responsibility of government professionals in the corrections field.

Respectfully submitted,

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